

**Minutes of the Regular Meeting of the Board of Directors
Timber Cove Homes Association
April 21, 2018 at the Fort Ross School**

A regular meeting of the TCHA Board of Directors was held on Saturday, April 21, 2018 at 10:00 a.m. at the Fort Ross School.

Attendees:

Directors:

Ron Case, President
Russell Wells, Vice President
John Gray, Treasurer
Bob Leichtner, Secretary
Margaret Grahame

Rosemary Gorz attempted to attend via remote phone connection, but was unable to do so because of the non-functional wifi as noted below. The Board regrets this problem and will seek a better arrangement.

Melany Collett, Office Manager, was recovering from an illness and unable to attend.

Members of the Association

Unfortunately the wifi remote call-in function at the school was again not functional, notwithstanding prior arrangements. It was suggested that it might be worth a modest courtesy payment to ask a school staff member familiar with the wifi set up who lived in the vicinity to stop by at the commencement of each meeting to help ensure the system is functional. Mr. Gray recommended investment in an independent satellite phone connection.

A copy of the sign in sheet for Association members who attended in person is attached.

The President chaired the meeting; the Secretary kept minutes.

Mr. Case called the meeting to order at 10:05 am.

Approval of Agenda

Upon motion duly made and seconded, the agenda was approved, 5-0.

Approval of Minutes of the March 24, 2018 meeting.

Upon motion duly made and seconded, the Minutes of the regular board meeting held March 24, 2018 were approved, 5-0.

Public Comment

A member reminded the attendees of the Mother's Day Breakfast fund raiser for the volunteer fire department, May 13 at Plantation.

A member reported that a Timber Cove Homes Association real estate transaction fell out of escrow after the notification of the lawsuit against the association. Although a funding arrangement was proposed to protect the prospective new homeowner from any financial risk, the buyers explained that the current turmoil and distrust apparent in the social environment was the critical factor that led them to withdraw their offer.

In response to a question about regular meeting attendance records, the Secretary explained that the Office Manager retains sign in sheets for all meetings.

President's Report---Executive Session Summary

Written requests for information regarding legal bills and the mailing list were received from Members; requests are being processed in accordance with the bylaws.

Office equipment security concerns were discussed.

Office Communications

No report, due to Ms. Collett's absence.

Appointment to Fill Vacant Board Seat

As a continuing initiative, board members have been soliciting interest to fill vacant seats on the Board. Two appointments have been made at previous meetings. Cindy Culcasi has expressed an interest in the remaining vacancy. Ms. Culcasi described her professional business background, which includes responsibilities in regulatory compliance. Ms. Grahame underlined the importance of objective, impartial service, unaffected by past issues; Ms. Culcasi concurred, and felt she would not have a problem in that regard. Upon motion duly made and seconded, the Board voted to appoint Cindy Culcasi to fill the remaining seat, 4-0-1, Ms. Grahame abstaining.

Architectural Review

In response to a question from a member, Mr. Case noted that the Board was reviewing its architectural review function. With discussion by Mr. Fedderson and Mr. Howland, it was clarified that the full Board serves as the Architectural Committee, and a professional architect reviews plans for compliance with the CCR's, variances, and

reports findings and recommendations to the Board. Members commented that CCR architectural requirements were in part obsolete, arbitrary or no longer compliant with laws. Some conditions have historically been ignored for previous approvals, and the subjectivity involved could be problematic. It was recommended that for efficiency and objectivity, having more than one approved reviewing architect would be helpful. Mr. Leichtner suggested that the points being raised were important for the community, and that proposals for clarifying or modifying the current architectural review and approval process should be prepared and addressed via a noticed agenda item at a future meeting.

Treasurer's Report

Mr. Gray updated the Board regarding annual dues collection and cash on hand. Collection practices were discussed, and it was noted that historical processes for collection of overdue accounts, and liening of properties with accumulated arrearages have not been reliably followed in recent years. It was also noted that errors have been found regarding ownership records and credit for payments made.

Mr. Gray commented on misinformation on social media regarding legal expenditures since the new Board assumed their responsibilities in October 2017. \$26,000 has been paid, but more than half that amount, \$14,000, was incurred by the previous board, prior to October 2017, with the bills arriving later. Major legal expenses recently paid but incurred by the prior board include approximately \$4600 for trail/easement issues. The current Board has incurred no trail related legal expense since assuming office in October.

Of expenses incurred under the current Board, approximately \$7000 was attributed to investigation and response to legal claims, with significant additional amounts related to accounting issues and the consequences of gaps or irregularities in key records.

A member commented on the high administrative expense, including legal, and questioned how much funding was actually available for essential functions such as road maintenance and repair. Currently, less than a quarter of dues paid is actually available for road uses. That is troubling. Ms. Grahame noted that the costs of a part time manager, accounting services, insurance and legal were all necessary elements of running the Association. It was noted that claims and litigation are significant expenditures for many HOAs.

Ms. Smith-Heimer noted that if the original \$200 assessment had regularly been adjusted to keep pace with cost of living increases, our annual dues would be approximately \$2000 by now. Mr. Leichtner observed that the CCR's established the \$200 annual assessment as an absolute maximum, with no allowance for cost of living adjustments. Indeed, the CCRs note that if operating funds are insufficient, Association activities should be curtailed or not performed. Provisions of Davis Stirling Act enacted after 1965 have superseded that historical limitation in TCHA CCRs.

Legal Claims Update

Mr. Leichtner commented briefly on the status of current claims and litigation. He reminded the membership to avoid inflaming the issues or risking further damages by irresponsible or derogatory comments on social media and other websites.

Presentation of Proposal for a Road Association to Replace TCHA.

Mr. Fedderson offered a detailed introduction to the proposals a group of members is developing to replace TCHA with a contractual Road Association. He provided considerable historical background, commenting on the original emphasis and scope of the TCHA concept as developed by Richard Clements in the 1960's. He noted that subsequent developments in land use law, especially with the introduction of the California Coastal Commission, have substantially changed regulation and local oversight since the origination of the TCHA CCRs. Conditions, values and concerns today have evolved, so that updated or alternative mechanisms may be needed. Clements included a mechanism in the CCRs to permit changes after 25 years, once the character of the subdivision was well established, which we can now use to make changes that better suit today's community.

Mr. Fedderson conceptually outlined an alternative to TCHA, which would eliminate the high level of unproductive administrative expense, and use revenues raised for actual tangible needs, primarily roads. He noted that other structures are available for functions such as architectural review, referencing Coastal Commission protections and County mechanisms. The CCR provisions simply overlay those mechanisms, mostly adding inefficiency, subjectivity and cost with limited benefit. Looking around the subdivision, some of the finest, most valued structures deviate dramatically from the rigid architectural limits included in the CCRs at the creation of Timber Cove in the early 60's. The experience of Unit 1 in annulling the CCRs is a positive example. They eliminated admin, legal, insurance and accounting costs, and can directly devote funds raised to essential activities such as road maintenance. Contacts with other northern California road associations also indicate good experience and modest costs.

As a hypothetical example, Mr. Fedderson suggested that for approximately \$300 per property per year, a limited road association could fund ongoing repairs and maintenance, an emergency reserve, and hire an expert road management firm to handle management, contracting and recordkeeping. Additional functions such as fire abatement measures or security to supplement the local sheriff's presence might be desirable add ons. A big advantage would be elimination of all the political controversy, factionalism and ill will that have damaged Timber Cove's reputation and property values while running up big unproductive expenses and costly claims and liability.

Mr. Fedderson, asked the Board to review the materials the road association advocates have already prepared, and help them inform the community, with the goal of setting up a full vote of the membership. Ms. Grahame noted that the proposal raises lots of questions, and needs engagement and input from the full community. That will require

notice and opportunities for a broad, discussion of issues, priorities and options. Distributing information and obtaining feedback is challenging, especially including the substantial number of members owning undeveloped lots who do not regularly get involved. Today's presentation is an important first step. The Board will work with the Road Association advocates to develop a plan for information to, and input from, the full membership.

Community Enhancements

Mailboxes. Work on footings is planned for today. Hopefully actual installation will soon follow.

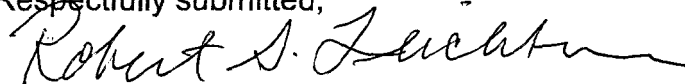
Electric vehicle charging stations. Ms. Grahame reported on plans for 3 installations at the Inn.

Faster Broadband. Ms. Smith-Heimer reviewed to project to press Frontier to upgrade available service, and progress to date.

Adjournment

There being no further business, the meeting was adjourned at approximately 12:20 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Robert S. Leichtner", written in a cursive style.

Robert Leichtner, Secretary